REBOUND, INC.

Financial Statements

For the Year Ended
October 31, 2016

Rebound, Inc.
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For the Year Ended October 31, 2016

Boeckermann Grafstrom Mayer

Independent Accountants' Review Report

Board of Directors
Rebound, Inc.
Minneapolis, Minnesota

We have reviewed the accompanying financial statements of Rebound, Inc. (a non-profit organization), which comprise the statement of financial position as of October 31, 2016 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Boeckermann Grafstrom + Mayer, LLC

BOECKERMANN GRAFSTROM & MAYEER, LLC
Certified Public Accountants

St. Paul, Minnesota
August 25, 2017

Rebound, Inc.
Statement of Financial Position
October 31, 2016

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$	19,459
Accounts Receivable		11,788
Total Current Assets	$	31,247
PROPERTY AND EQUIPMENT		
Furniture and Equipment	$	5,903
Leasehold Improvements		2,000
Vehicles		4,318
	$	12,221
Less Accumulated Depreciation		1,555
Net Property and Equipment	$	10,666
TOTAL ASSETS	$	41,913
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	$	19,642
Note Payable to Board Member		7,120
Total Current Liabilities	$	26,762
NET ASSETS		
Unrestricted	$	15,151
Temporarily Restricted		-
Total Net Assets	$	15,151
TOTAL LIABILITIES AND NET ASSETS	$	41,913

See Accompanying Notes to Financial Statements

Rebound, Inc.
Statement of Activities
For the Year Ended October 31, 2016

SUPPORT AND REVENUE	
Program Service Income	$ 412,500
Grant Income	39,906
Contributions	4,663
Interest	1
Total Support and Revenue	$ 457,070
EXPENSES	
Program Services	$ 333,057
Management and General	80,432
Total Expenses	$ 413,489
CHANGE (DECREASE) IN NET ASSETS	$ 43,581
NET ASSETS - Beginning of Year	(28,430)
NET ASSETS - End of Year	$ 15,151

See Accompanying Notes to Financial Statements

Rebound, Inc.
Statement of Functional Expenses
For the Year Ended October 31, 2016

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 247,920	$ 62,767	$ -	$ 310,687
Payroll Taxes	24,682	6,170	-	30,852
Insurance	-	9,338	-	9,338
Auto Expense	2,575	-	-	2,575
Licenses and Permits	3,025	-	-	3,025
Dues and Subscriptions	-	50	-	50
Miscellaneous expense	820	128	-	948
Office Expense	1,552	-	-	1,552
Postage	-	69	-	69
Printing and Reproduction	-	130	-	130
Professional fees	-	289	-	289
Resident Activities and Expenses	23,754	-	-	23,754
Rent	17,200	-	-	17,200
Repairs and Maintenance	2,797	-	-	2,797
Staff Development	-	1,491	-	1,491
Utilities	7,377	-	-	7,377
Total Before Depreciation	$ 331,702	$ 80,432	$ -	$ 412,134
Depreciation	1,355	-	-	1,355
TOTAL	$ 333,057	$ 80,432	$ -	$ 413,489

Rebound, Inc.
Statement of Cash Flows
For the Year Ended October 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change (Decrease) in Net Assets	$ 43,581
Adjustments to Reconcile Change (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	1,355
Changes in Operating Assets and Liabilities	
Accounts Receivable	(10,413)
Accounts Payable and Accrued Liabilities	5,560
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 40,083
CASH FLOWS FROM INVESTING ACTIVITIES	
Property and Equipment Purchases	$ (10,221)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (10,221)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Note Payable to Board Member	$ (21,600)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ (21,600)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 8,262
CASH AND CASH EQUIVALENTS - Beginning of Year	11,197
CASH AND CASH EQUIVALENTS - End of Year	$ 19,459

NOTE 1: NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Rebound, Inc. (the Organization) is a Minnesota nonprofit corporation organized on November 4, 2014 to provide services to African American male youth ages 14-21 involved in the juvenile justice system with the goal of successfully reintegrating them into their families and communities through a group home called Jordan House. These services include screening and assessment, social and interpersonal skill development, chemical use and abuse awareness, correctional programming, transition and life skill development, opportunities for physical exercise and recreation, and access community resources to meet educational, medical, dental, mental health and chemical dependency needs of its residents. The Organization has one location in Minneapolis, Minnesota.

Standards of Accounting and Financial Reporting
The Organization follows Accounting Standards Codification (ASC) 958. Under the provisions of these standards, net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted - Resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose. All property, equipment, and related debt are considered unrestricted.

- Temporarily Restricted - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time. The Organization has no temporarily restricted net assets at October 31, 2016.

- Permanently Restricted - Those resources subject to donor imposed restrictions that they be maintained permanently by the Organization. The donors of such resources permitted the use of all or part of the income earned, including capital appreciation or related investments, for unrestricted or temporarily restricted purposes. The Organization has no permanently restricted net assets at October 31, 2016.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Fair Value Measurements
The estimated fair values of the Organization's short-term financial instruments, including receivables and payables arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

NOTE 1: NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition
Program service revenues are recorded and recognized during the period the service is provided.

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled, unless the restrictions expire or are fulfilled in the same calendar year the contribution is received, in which case the contribution is recorded as unrestricted. Temporarily or permanently restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled.

Donated services, materials and equipment and facilities are recorded at their fair market value at the date they are received, if significant and measurable. The Organization received donated materials totaling $275 for year ended October 31, 2016.

Cash and Cash Equivalents
The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. At times, cash may be in excess of FDIC insurance limits.

Accounts Receivable
Accounts receivable represents amounts due from county agencies. The Organization does not require collateral to support its outstanding receivables. Substantially all amounts are expected to be collected within one year. No interest is accrued on accounts receivable.

The Organization has determined that an allowance for doubtful accounts is not currently required. Bad debts are expensed when determined to be uncollectible. Bad debt expense was $0 for the year ended October 31, 2016.

Property and Equipment
Purchase of property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the *Statements of Activities*. Depreciation is provided over the estimated economic useful lives of each class of assets and is computed using the straight-line method. Total depreciation expense was $1,355 for the year ended October 31, 2016.

Estimated economic useful lives of property and equipment range from 5 to 10 years.

NOTE 1: NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the *Statements of Activities* and the *Statements of Functional Expenses*. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes
The Organization has been classified as an other-than-private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization has analyzed tax positions taken for filings with the Internal Revenue Service and all state and foreign tax jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at October 31, 2016.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2013.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expense, respectively.

Subsequent Events
The Organization evaluated for the occurrence of subsequent events through August 25, 2017, the date which the financial statements were available for issue. No subsequent events occurred.

NOTE 2: NOTE PAYABLE – BOARD MEMBER

The Organization entered into a loan agreement to repay $28,720 loaned by a board member to the Organization during the year ended October 31, 2015 for start-up costs and operations. The loan is non-interest bearing and is to be paid in monthly installments of $2,700 beginning on February 15, 2016 with the final payment due on December 15, 2016. The note payable balance at October 31, 2016 is $7,120.

The current maturities are $7,120 for the year ending October 31, 2016.

NOTE 3: LEASES

The Organization entered into a twelve month operating lease agreement with the Organization's Executive Director and Co-Founder that expired on December 31, 2016. The lease was automatically renewed for one year. The monthly payments are $1,450. The lease expense was $17,200 for the year ended October 31, 2016.

The minimum annual rental commitments are as follows:

Future lease payments		
2017	$	17,400
2018	$	2,900
Thereafter	$	-

NOTE 4: ECONOMIC DEPENDENCY

The Organization receives a substantial amount of its revenue from Hennepin County. Any significant reduction in this level of funding, if this were to occur, would have a significant effect on the Organization's activities.

NOTE 5: CONCENTRATIONS

During 2016, the Organization had one customers whose revenues accounted for approximately 100% of its total revenue. This customer also accounted for approximately 97% of the Organization's accounts receivable for the year ended October 31, 2016.

NOTE 6: RELATED PARTIES

The Organization has a note payable to a board members in the amount of $7,120 at October 31, 2016 (see Note 2)

The Organization leases the group home from the Organization's Executive Director and Co-Founder (see Note 3).

NOTE 7: SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest was $0 for the year ended October 31, 2016.

Cash paid for income taxes was $0 for the year ended October 31, 2016.